

CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

19 April 1951

SUBJECT: TERMS OF REFERENCE: SPAIN'S POSITION IN THE EAST-WEST CONFLICT

THE PROBLEM

To estimate the various contributions Spain could make to the defense of Western Europe and the Mediterranean, and to examine the political and economic consequences.

QUESTIONS BEARING ON THE PROBLEM

I. WHAT WOULD BE THE PROBLEMS AND IMPLICATIONS OF A US-Spanish Agreement on Military Base Rights?

- A. To what extent could air and naval bases in Spain contribute to the defense of Western Europe and the Mediterranean area?
- B. What restrictions would Franco be likely to place on the use of the bases by the US? By the other NATO powers?

SECRET

- C. What political or economic concessions would Franco be likely to demand in return for making such bases available to the US?
- D. What other factors might affect the utilization of these bases?
 - (1) Internal political factors and consequences?
 - (2) Economic factors including the cost to the US of improving and maintaining the bases?
- E. What would be the reaction of the NATO powers to a US-Spanish base agreement?
- F. Would US development of Spanish bases be a net gain or net liability in terms of US security?

II. WHAT WOULD BE THE PROBLEMS AND IMPLICATIONS OF A PROGRAM TO STRENGTHEN SPANISH DEFENSES?

- A. What are present Spanish capabilities for defending the country against armed invasion?
 - (1) Military readiness?
 - (2) Economic strength?
 - (3) Political factors?
- B. What internal problems would be encountered in a program for strengthening Spain's defenses? What would be the cost to the US of creating in Spain a redoubt

SECRET

for NATO forces in the event they are defeated

north of the Pyrennes by Soviet forces?

- (1) What political concessions would Franco be likely to seek in return for a military agreement with the US? What degree of US supervision would he permit?
- (2) What outside economic assistance would be required?
- (3) What military assistance would be necessary?
 - C. What would be the effect on the European defense effort of a US-Spanish defense arrangement?
 - (1) What would be the reaction of the NATO powers? Western Germany? Yugoslavia?
 - (2) What effect would a US program to strengthen Spanish defenses have on the chances of Spain's eventual participation in NATO?
 - (3) Would a military aid program to Spain delay or interfere with the development of NATO forces?
 - D. Would a program to strengthen Spanish defenses be a net gain or net liability in terms of US security?

III. WHAT ARE THE PROBLEMS AND IMPLICATIONS OF HAVING SPAIN CONTRIBUTE TO THE DEFENSE OF WESTERN EUROPE AS A MEMBER OF NATO?

- A. Could Spain make any contributions to the defense of Western Europe and the Mediterranean area(as contrasted with the defense of Spain)?

SECRET

- (1) Militarily?
- (2) Economically?

B. What are the principal obstacles to the full use of potential Spanish resources in support of the NATO effort?

- (1) Conditions likely to be demanded by Franco?
- (2) Economic deficiencies?
- (3) Military limitations?

C. What are the prospects of Spain's being accepted as a member of NATO? Under what conditions might the NATO powers accept Spanish participation?

D. Would Spanish participation in NATO be a net liability or net gain in terms of US security?

CONFIDENTIAL
SECRET